

**SPECIAL MEETING
BOARD OF MAYOR AND ALDERMEN**

June 4, 2001

Immediately Upon Conclusion of Finance

Mayor Baines called the meeting to order.

The Clerk called the roll. There were twelve Aldermen present.

Present: Aldermen Wihby, Gatsas, Levasseur, Sysyn, Clancy, Lopez, Shea,
Vaillancourt, Pariseau, Cashin, Thibault, Hirschmann

Absent: Aldermen Pinard and O'Neil

3. Report of the Committee on Finance regarding Employee Healthcare Coverage for FY2002 which was to continue with the present carrier arrangement with Anthem/Blue Cross.

Alderman Pariseau moved to accept, receive and adopt the report of the Committee on Finance regarding Employee Healthcare Coverage for FY2002. Alderman Lopez duly seconded the motion.

Mr. Tawney asked which paper.

Alderman Gatsas asked did you prepare this or did Mercer.

Mr. Tawney replied I prepared that.

Alderman Gatsas stated the questions that I submitted to you did you make copies for everybody, have all of the Aldermen seen it.

Mr. Tawney replied I made copies and distributed it through the City Clerk's Office. I presume that all of the Aldermen have copies.

Alderman Gatsas who addressed the questions that I asked, did you or did somebody else.

Mr. Tawney replied myself and my staff have attempted to answer your questions that you had.

Alderman Gatsas stated so, none of these questions were answered by Mercer.

Mr. Tawney replied that is correct.

Alderman Gatsas stated you hired Mercer to look at the RFP's and draw them up.

Mr. Tawney replied that is correct.

Alderman Gatsas stated you think that every one of these questions that you addressed here...let me rephrase the question...why did we need Mercer to address the RFP's if you answered my questions.

Mr. Tawney replied the RFP was lengthy and there was a lot of technicalities in that and it was felt that it would be in order that we should get a response that was proper and that we needed additional assistance in drawing up the RFP.

Alderman Gatsas asked let me ask the two most important questions and I guess and the answer that you may have given. Number 7, why was NHMA Proposed Claims so much less than Blue Cross Blue Shield in their proposal. Do you want to read me your answer. Let me read it for you. "We are unsure why the proposed claims are different. The RFP was based on the same companies, the same plans, the same network."

Alderman Gatsas asked how much was the difference in the claims.

Mr. Tawney replied there should be no difference in the claims.

Alderman Gatsas asked how much difference were there in the claims in the two RFP's.

Mr. Tawney replied I don't have that right at my fingertips.

Alderman Gatsas stated well, let me help you. Do you want to go to number 14, third page...and tell me why those two numbers are different. So, when you're telling us that the claim plans for the MediComp III pension individual in total Blue Cross Blue Shield is \$2.6 million and NH is \$2.4 and I believe the claims difference is about \$2 million. So, I guess my question is did you come back and recommend to this Board today that there was no difference in the two RFP's.

Mr. Tawney replied I did not say there was no difference in the RFP's, I said that the claims should be the same and that the difference should only be in the fees for the administration of the plan and the stop loss insurance and as we look in the comparison the rest of the plan had...we tried to assure ourselves that the plans were comparable; that the benefits were comparable; and that both of the bidders were capable bidders.

Alderman Gatsas stated the prices were guaranteed until when.

Mr. Tawney replied the prices were guaranteed until August 1, 2001.

Alderman Gatsas stated they would guarantee their plans until June of 2002.

Mr. Tawney replied that is correct.

Alderman Gatsas stated Blue Cross Blue Shield would not guarantee any rates thereafter, is that correct.

Mr. Tawney replied that is correct.

Alderman Gatsas asked what about NHMA.

Mr. Tawney replied NHMA would not guarantee any claims costs, but would guarantee their administration fee at 5% for the coming year.

Alderman Gatsas stated let's talk about claims so that this Board can understand because you're talking about guarantee of claims. There's nobody that is going to guarantee claims because we're at risk from dollar one. So, this is no secret. This is not an insurance plan like most people would understand that it is. The City is at risk for dollar one, so it doesn't matter whether it's Blue Cross Blue Shield, NHMA or the City of Manchester because it doesn't make a difference. All we're doing is paying somebody to pay claims, do you agree.

Mr. Tawney replied yes, I do.

Alderman Gatsas stated if that's the case then how can the two RFP's be different with different amounts on them. How could you tell this Board that we shouldn't worry about what we're paying and how could there only be a \$68,000 difference.

Now, I have a problem that you address the questions when we paid Mercer. Now, I would think...I am going to make a motion that they have E&O Insurance and if they didn't address that there were two different RFP's then we should ask a question and find out why they've given us information or recommending two different proposals when neither of them are the same, how can that happen; that is like saying to somebody we want you to bid on a dump truck and one guy bids on a Chevy and one guy bids on a Ford and the two prices are different and we say it doesn't matter it's a dump truck. I'm going to make a suggestion that the City Solicitor send them a very strong letter as I have with the auditor in the past, but it certainly hasn't gotten us anywhere because we're still waiting on our money from the garages based on a 10 or 15-year payout and we shouldn't have to be waiting. I would suggest that how somebody takes a look at an RFP and

doesn't tell this Board...they were here, they never said a word to us for one second that it was different, did they.

Mr. Tawney replied in so many words, no, I don't recall that they did say that, but I believe they did talk about the issue as being...

Alderman Gatsas asked did you know it was different.

Mr. Tawney replied yes.

Alderman Gatsas asked did anybody on this Board understand that it was different.

Alderman Lopez stated I think Tom Clark looked at the RFP's and said there was no difference, did you look at the RFP's.

Solicitor Clark replied the only issue we looked at was the question of the non-competition clause between Anthem and Municipal Trust.

A roll call vote was taken on the motion to accept the report. Aldermen Gatsas, Vaillancourt and Wihby voted nay. Aldermen Levasseur, Sysyn, Clancy, Lopez, Shea, Pariseau, Cashin, Thibault and Hirschmann voted yea. Aldermen Pinard and O'Neil were absent. The motion carried.

4. Report of the Committee on Finance recommending that Appropriating Resolutions:

"A Resolution appropriating to the Manchester Airport Authority the sum of \$34,951,867 from Special Airport Revenue Funds for Fiscal Year 2002."

"Amending a Resolution 'A Resolution appropriating the sum of \$12,791,347 from Sewer User Rental Charges to the Environmental Protection Division for Fiscal year 2002' to \$13,107,513."

ought to pass and layover.

Alderman Wihby moved to amend the Sewer User Resolution to \$13,126,513, and to so amend the report, Alderman Pariseau duly seconded the motion. There being none opposed, the motion carried.

Alderman Thibault moved to accept, receive and adopt the second report as amended. Alderman Pariseau duly seconded the motion. There being none opposed, the motion carried.

5. Report of the Committee on Finance recommending that Appropriating Resolution:

"Appropriating all Incremental Meals and Rooms Tax Revenue Received by the City in Fiscal Year 2001 and held in the Civic Center Fund, for the payment of the City's Obligations in Said Fiscal Year Under the Financing Agreement."

ought to pass and layover.

Alderman Pariseau moved to accept, receive and adopt the third report of the Committee. Alderman Lopez duly seconded the motion. The motion carried with Aldermen Shea and Vaillancourt duly recorded in opposition.

6. Report of the Committee on Finance recommending that Appropriating Resolution:

"Amending a Resolution 'A Resolution appropriating to the Manchester Transit Authority the sum of \$705,000 for the Fiscal Year 2002' to \$725,000."

ought to pass and layover.

Alderman Pariseau moved to accept, receive and adopt the fourth report of the Committee. Alderman Sysyn duly seconded the motion. The motion carried with Aldermen Gatsas, Shea and Vaillancourt duly recorded in opposition.

7. A report of the Committee on Finance was presented recommending that Appropriating Resolution:

"A Resolution appropriating the sum of \$3,751,196 from Recreation User Charges to the Recreation Division for Fiscal Year 2002."

ought to pass and layover and amended to \$3,761,196.

Alderman Clancy moved to accept, receive and adopt the fifth report of the Committee. Alderman Pariseau duly seconded the motion. There being none opposed, the motion carried.

8. A report of the Committee on Finance was presented recommending that Appropriating Resolution:

"An Appropriating Resolution for the Central Business Service District in the amount of \$205,832.99."

ought to pass and layover.

Alderman Sysyn moved to accept, receive and adopt the sixth report of the Committee. Alderman Clancy duly seconded the motion. There being none opposed, the motion carried.

- 9.** A report of the Committee on Finance was presented recommending that a Resolution:

"Continuation of the Central Business Service District.
ought to pass and layover.

Alderman Pariseau moved to accept, receive and adopt the seventh report of the Committee. Alderman Clancy duly seconded the motion. There being none opposed, the motion carried.

- 10.** A report of the Committee on Finance was presented recommending that Appropriating Resolution:

"A Resolution appropriating to the Manchester School District the sum of \$114,844,857 for the Fiscal Year 2002."

ought to pass and layover as amended to \$115,844,857.

Alderman Pariseau moved to accept, receive and adopt the eighth report of the Committee. Alderman Shea duly seconded the motion.

Alderman Hirschmann asked can that resolution have a footnote that the money was taken out of the Community Improvement Program, shouldn't we do that.

Deputy Clerk Johnson replied no, it's all considered to be city cash appropriation.

Mayor Baines called for a vote on the motion. The motion carried with Alderman Vaillancourt duly recorded in opposition.

Deputy Clerk Johnson noted that the CIP Resolution will need to be amended tomorrow evening at the Board level.

- 11.** A report of the Committee on Finance was presented recommending that Appropriating Resolution:

"A Resolution Appropriating to the Manchester Aggregation Program the sum of \$758,516 from Aggregation Fees for the Fiscal Year 2002."

ought to pass and layover as amended by inserting a footnote that expenditures exceeding a total of \$100,000 are subject to the approval by the Board of Mayor and Aldermen prior to expenditure.

Alderman Thibault moved to accept, received and adopt the ninth report of the Committee. Alderman Pariseau duly seconded the motion.

Alderman Hirschmann asked why aren't we just amending the number down to \$100,000.

Deputy Clerk Johnson replied the way the resolution was amended, it was left at the \$758,000, but only \$100,000 can be spent unless it comes back to the Board. In other words, the Board would have to vote for anything else that would be expended from that project.

Mayor Baines called for a vote on the motion. The motion carried with Aldermen Shea, Vaillancourt and Hirschmann duly recorded in opposition.

12. A report of the Committee on Finance was presented recommending that Appropriating Resolution:

"Raising Monies and Making Appropriations for the Fiscal Year 2002."

ought to pass and layover as amended to \$102,383,154.

Alderman Pariseau moved to accept, receive and adopt the tenth report of the Committee. Alderman Lopez duly seconded the motion. There being none opposed, the motion carried.

There being no further business to come before the special meeting without unanimous consent, on motion of Alderman Pariseau, duly seconded by Alderman Thibault, it was voted to adjourn.

A True Record. Attest.

City Clerk